

Message Text

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ORIGIN SP-02

INFO OCT-01 ARA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-11 H-01 INR-10 INT-05
L-03 NSAE-00 OMB-01 PM-05 OES-07 SS-15 STR-07
TRSE-00 ACDA-12 AF-10 EA-10 EUR-12 NEA-10 IO-13
NSCE-00 SSO-00 USIE-00 INRE-00 /161 R

DRAFTED BY S/P:THMORAN
APPROVED BY S/P:ALAKE
NSC - MR. PASTOR
DOE - MR. VANDERRYN
ARA - MR. BOUTIN
OES - MR. PROCHNIK
EB - MR. HART

-----034697 091622Z /23

O 091558Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA IMMEDIATE
AMCONSUL SAO PAULO IMMEDIATE

C O N F I D E N T I A L STATE 060549

E.O. 11652: GDS-1

TAGS: ENRG, OTRA

SUBJECT: ENERGY COOPERATION

1. SUMMARY. A PROPOSAL FOR COOPERATION IN ENERGY RESEARCH AND DEVELOPMENT WITH BRAZIL HAS BEEN APPROVED WHICH (DEPENDING UPON BRAZILIAN REACTIONS) COULD BE ANNOUNCED DURING THE PRESIDENT'S VISIT. TWO REPRESENTATIVES FROM STATE AND DOE WILL BE IN BRASILIA MARCH 12-15 TO DISCUSS THE PROPOSAL WITH BRAZILIAN OFFICIALS.

2. AN INTERAGENCY STUDY IDENTIFIED EIGHT POSSIBLE AREAS
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FOR TECHNICAL COOPERATION IN ENERGY RESEARCH AND DEVELOPMENT WITH BRAZIL. WE HAVE BEEN AUTHORIZED TO DISCUSS WITH THE BRAZILIANS A JOINT PROGRAM INVOLVING BIOMASS (LEADING TO A DEMONSTRATION PROJECT FOR ALCOHOL), COAL GASIFICATION AND LIQUEFACTION, HIGH VOLTAGE ELECTRICAL TRANSMISSION, PLUS TECHNICAL COOPERATION IN ADVANCED GEOLOGICAL ANALYTIC TECHNIQUES. ADDITIONAL OPTIONS INCLUDE HYDROGEN,

SOLAR, OCEAN THERMAL, AND COAL MINING AND PROCESSING.
THE INITIATIVE WAS APPROVED WITHIN THE CONSTRAINTS THAT IT
SHOULD NOT REQUIRE LARGE NEW FUNDING, SHOULD BE FINANCED
ON A RECIPROCAL BASIS BY THE BRAZILIANS, AND SHOULD PROVIDE
BENEFITS TO BOTH BRAZIL AND THE US. WE ARE WILLING TO

SPEND APPROXIMATELY TWO MILLION DOLLARS ON OUR SIDE OF THE
PROGRAM THROUGH FY 1979.

3. ACTION REQUESTED: AS SUGGESTED IN PHONE CONVERSATION
WITH GOECKERMAN, PLEASE ARRANGE APPOINTMENTS ON MARCH 13
THRU 15 WITH APPROPRIATE BRAZILIAN OFFICIALS FOR TED
MORAN (S/P) AND JACK VANDERRY (DIRECTOR OF INTERNATIONAL
PROGRAMS, DOE). THE EMBASSY SHOULD INDICATE THAT THE
REASON FOR THE APPOINTMENTS IS TO DISCUSS IDEAS FOR US-
BRAZILIAN ENERGY COOPERATION AS MENTIONED IN FONMIN
SILVEIRA'S LETTER OF FEBRUARY 28. IF, IN YOUR OPINION,
IT WOULD BE EFFECTIVE RATHER THAN COUNTERPRODUCTIVE, THE
RATIONALE FOR THESE APPOINTMENTS COULD BE FURTHER DESCRIBED
AS BEING TO EXPLORE ISSUES IN ENERGY COOPERATION THAT
COULD BE RAISED DURING THE PRESIDENT'S VISIT. THE APPOINT-
MENTS WITH BRAZILIAN OFFICIALS SHOULD TAKE PLACE AT THE
POLICY LEVEL TO CLARIFY HOW THE BRAZILIANS WILL REACT TO
THIS PROPOSAL, HOW IT MIGHT BE FITTED WITH OTHER THEMES
DURING THE PRESIDENT'S VISIT, AND WHETHER THE BRAZILIANS
WILL BE WILLING TO PROVIDE RECIPROCAL FUNDING. APPOINT-
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MENTS SHOULD ALSO TAKE PLACE AT THE TECHNICAL LEVEL TO
DETERMINE HOW THE BRAZILIANS WILL REACT TO THE SPECIFIC MIX
OF AREAS PROPOSED FOR ENERGY COOPERATION, AND WHAT THE
NEXT STEPS SHOULD BE TO ESTABLISH THE JOINT PROJECTS.

4. MORAN AND VANDERRY WILL ARRIVE IN BRASILIA ON VARIG
200 AT 11:05 A.M., MARCH 12. WE WOULD APPRECIATE HOTEL
ACCOMMODATIONS MARCH 12 THRU 14.

5. FOR SAO PAULO, PLEASE ARRANGE ACCOMMODATIONS FOR
MORAN MARCH 15 THRU 17 TO PARTICIPATE IN THE SYMPOSIUM
"ENERGY AND DEVELOPMENT IN THE AMERICAS" AT HOTEL CASA
GRANDE, GUARJA, SANTOS, ARRIVING VARIG 281 AT 8:15 P.M.,
MARCH 15.

6. APPRECIATE A CAR TO MEET IN BRASILIA AND SAO PAULO.
VANCE

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